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**To: RHTC Partners**

**Notice: RED-12-34**

**From:** Real Estate Department

**Date:** June 22, 2012

**Re: Request for Public Comments on Establishing a Basis Boost for 2013**

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On May 4, 2012, IHCD hosted a QAP Round Table discussion to obtain feedback on the performance of the 2012-2013 QAP from the 2012A-C round. IHCD also conducted an on-line survey to solicit suggestions for improvement. There was overwhelming support from the discussion and the survey for a two year QAP. However, concerns were raised over the decrease in the number of developments that received credits. During the round table discussion there was a recommendation to amend the 2012-2013 QAP to impose a development cap of \$800,000 in annual credits. This recommendation received some support as well as some opposition.

IHCD has reviewed the recommendation to amend the 2012-2013 QAP to impose a development cap and has determined that the proposed change mid-way through the two year QAP is not warranted.

However, IHCD does understand the concern regarding the reduction in the number of developments receiving credits and proposes an alternative solution that will not require an amendment to the QAP. IHCD is proposing to restrict the discretion to “boost” the eligible basis under IRC 42(d)(5)(B)(v) and Section 4.2(e)(4.t) of the 2012-2013 QAP. IHCD is requesting feedback on the proposed restriction:

2013 applications will not be able to increase or “boost” their eligible basis.

The following developments will be exempt and may request a “boost” in eligible basis not to exceed 10%:

- Meet the criteria of the Housing First Set-aside – QAP Section E.6
- Meet the criteria of the Rural Set-aside – QAP Section E.4(c)

Developments that meet IRC 42(d)(5)(B)(ii) which are located in a Qualified Census Tract or IRC 42(d)(5)(B)(iii), Difficult Development Area are eligible to increase or “boost” the eligible basis for their Development by up to 30%.

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Please submit your comments to Jacob Sipe at [jsipe@ihcda.in.gov](mailto:jsipe@ihcda.in.gov) by July 6, 2012.



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